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EXAMINER

ALVAREZ, RAQUEL

ART UNIT

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/729,984
Filing Date: December 05, 2000
Appellant(s): LEFKOWITZ, YISROEL

Timothy J. Bechen
For Appellant

EXAMINER'S ANSWER

This is in response to the supplemental appeal brief filed 4/29/2010 appealing from the Office action mailed 5/20/2009.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

No amendment after final has been filed.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,847,965

WALKER ET AL.

1-2005

No author listed, Air France Corrects and Replaces Previous Announcement" Business Wire, January 23, 1996.

Ong-Yeoh, David "Golden Boutique set to Boost MAS Revenue" Business Times (Malaysia), p.2, August 26, 1995.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-2, 4-5, 7-12, 14, 15, 17-20, 85, 85, 96-108 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (6,847,965 hereinafter Walker) in view of Business Wire "Air France Corrects and Replaces Previous Announcement', hereinafter Air France.

Walker teaches offering to sell to a customer at least one specific item at an offering price (i.e. using input device 306, the customer remotely order a first item from a merchant)(see figure 1);

in conjunction with said offer to sell said specific first item at said offering requiring said customer to select as part of a single transaction at least one second item to be selected from a group of one or more second items, said offer to sell said second item and said offer of at least one second item being made over a computer network from a single merchant (i.e. as part of the order of the first item, the customer is required to select from a plurality of complementary items that he is entitled to receive free of charge for making the purchase of the first item. The complimentary item is added to the single transaction free of charge)(Figure 3, 328 and col. 13, lines 47-54);

said merchant acknowledging said customer decision to purchase said at least one specific first item and said at least second item, the acknowledgment being made over said computer network (see figure 1);

said merchant accepting payment over said computer network from said customer for said first item (figure 15B, step 1566);

said merchant delivering the first item to said customer (figure 16A, step 1604);

said merchant advising said customer of the method of delivery of said at least second item to said customer, said method of delivery being connected to said customer engaging in the first item (i.e. the customer is delivered both ordered items at step 1604).

With respect to the first item being an international travel ticket and the second item being a duty free item. Air France teaches customer purchasing an international ticket being offered discounts for duty free items. It would have been obvious to a person of ordinary skill in the art at the time of Applicant's invention to have included in the invention of Walker international tickets and duty free items in order to motivate customer to buy international flights.

With respect to all or a portion of the concession fee normally charged to merchants for selling or delivering duty free items is not charged, the price of the travel ticket, the duty free item or the combination of both is accordingly reduced or discounted and that the duty free items are delivered at or near an exit point or on board a passenger carrier for which the international travel ticket is sold. Official Notice is taken that it is old and well known for merchants and the like to negotiate an agreement with a manufacturer, host, provider of a goods and services and to pass all or some of the savings that result from said agreement to the customers. For example, Costco ® is a wholesaler corporation which buys in bulk at a discount and passes some of the savings to their members. It would have been obvious in the combination of Walker and Air France to have included the teachings of the well known business method of passing on some or all the savings negotiated to the customers in order to provide the customer with discount and hopefully increase sale. With respect to delivering the duty free items at or near an exit point, the Examiner wants to point out that delivering the duty free items

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near the exit is the norm at airports in order to assure that duty free merchandises are consume outside the country which sold the items. It would have been obvious to a person of ordinary skill in the art at the time of Applicant's invention to have included delivering and locating the duty free shops near an exit point as being done by major airports in order to obtain the above mentioned advantage.

Claims 6, 16, are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker in view of Air France further in view of Ong-Yeoh "Golden Boutique Set to Boost MAS Revenue", hereinafter Ong-Yeoh .

Ong-Yeoh teaches advising the customer that the duty free items will be delivered to the customer at one of an international port of departure ("pre-order business where passengers can purchase their tickets and duty free items to be delivered at the airport). It would have been obvious to one having ordinary skill in the art at the time of the invention to have advised the customer of item delivery as in Ong-Yeoh in the system of Walker since the item delivery would have been adopted for the intended use of the pre-order business of Walker at least where the ticket and item inspection verifies eligibility of the duty free item.

(10) Response to Argument

Appellant states that the Examiner didn't address the arguments presented on 12/28/2007. The Examiner wants to point out that the arguments were moot because Applicant was mainly arguing the newly amended feature presented on the amendment

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filed on 12/28/2007 and the amendment led to new well known statements (Official Notice) and that's the reason why the Examiner didn't address the arguments because it pertained to newly amended features, which the Examiner introduced new well statements to reject the newly amended claims.

Appellant argues that Walker "buy one get one free" fails to teach or suggest a specific pricing determination for one or both items based on the savings of all or portion of a concession fee charged by the passenger carrier for the sale and delivery of a duty free item. The Examiner wants to point out that Official Notice was taken with respect to this item (see above rejection) and therefore it should be argued accordingly. Air France teaches customer purchasing an international ticket being offered discounts for duty free items. With respect to passing the savings on to the customer, the Examiner had taken Official Notice is taken that it is old and well known for merchants and the like to negotiate an agreement with a manufacturer, host, provider of a goods and services and to pass all or some of the savings that result from said agreement to the customers. For example, Costco ® is a wholesaler corporation which buys in bulk at a discount and passes some of the savings to their members. It would have been obvious in the combination of Walker and Air France to have included the teachings of the well known business method of passing on some or all the savings negotiated to the customers in order to provide the customer with discount and hopefully increase sales.

With respect to Applicant's arguments pertaining to "offering to sell....a specific international travel ticket....and one or more specific duty free items", Applicant states

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that there's no teaching of Air France for the sale of a duty free item. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Walker was cited to teach the customer under one single transaction buying an item and receiving a complimentary item. Air France was merely cited to teach duty free items and therefore the combination of Walker and Air France teach under one single purchase transaction offering a discounted price of a second item (Walker teaches the customer buying an item and receiving the second item for free or at discount price of zero) Walker doesn't teach the second item being duty free items and Air France teaches the purchase of international tickets tie in to duty free items therefore it would have been obvious to have included in the system of Walker to replace the items of Walker with Air France international tickets and duty free items in order to motivate purchases in the airline industry.

The Examiner wants to point out that Walker was cited as being the primary reference for the general teachings of allowing the customer to receive a complimentary item (first item) at an offering price (free of charge), the customer must or is required to purchase a second item as part of a single transaction. The customer using input device 306, selects an item free of charge, the customer must select a second item for purchase in conjunction with the complimentary item by a single merchant in a single transaction (see Figure 3) in order to receive the upsell item or free item. Walker works like the traditional "get one free if you buy one". The customer gets an item for free or for a

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discount **only** if first the customer purchases a second item at a particular price. Both the current application and Walker pertains to under a single transaction, given the customer a free item if the customer purchases an item. Therefore the Examiner asserts that the teachings of Walker is not absurd as stated by Appellant.

Appellant argues that Air France fails to teach or suggest the sale of duty free items. The Examiner disagrees with Appellant because Air France teaches combining the sale of international tickets with receiving a discount for duty free items. If the duty free items are offered at a discount then the duty free items must be offered for sale.

With reference to Appellant's arguments pertaining to delivery of the duty free item to said customer during travel associated with said specific international travel ticket. The Examiner wants to point out that Walker was the reference cited to teach the customer under one single transaction buying an item and receiving a complimentary item. Air France was merely cited to teach combining international tickets with receiving a discount for duty free items and therefore the combination of Walker and Air France teach under one single purchase transaction offering a discounted price of a second item (Walker teaches the customer buying an item and receiving the second item for free or at discount price of zero) Walker doesn't teach the second item being duty free items and Air France teaches the purchase of international tickets tie in to duty free items therefore it would have been obvious to have included in the system of Walker to replace the items of Walker with Air France

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international tickets and duty free items in order to motivate purchases in the airline industry.

Furthermore, Appellant argues the Official Notice taken is improper because the Official Notice does not totally address, "said merchant having arranged with the first passenger carrier for delivery of...the duty free item to said consumer...without the merchant required to pay at a portion of a concession fee "The Examiner had taken Official Notice that it is old and well known in general to enter into agreements between the parties involved in order to reduce cost. Appellant interprets "agreement" as used by the Examiner solely to mean the notion of bulk sales and passing savings to customers but the Examiner does not use the Official Notice in this limited context.

Rather, the Examiner makes a general statement as to the known practice of making an agreement between two parties in order to pass on the savings and reducing cost. Nothing in this known practice of not charging a fee to or reducing cost based on a prior agreement between the parties prohibits it from being applied to merchants having an arrangement with a first passenger carrier for delivery and reducing cost/fee of the delivery of duty free items.

Appellant argues that Air France fails to teach or suggest delivery of the duty free item to said customer during travel associated with said specific international travel ticket. The Examiner wants to point out that Walker was the reference cited to teach the customer under one single transaction buying an item and receiving a complimentary item. Air France was merely cited to teach combining international

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tickets with receiving a discount for duty free items and therefore the combination of Walker and Air France teach under one single purchase transaction offering a discounted price of a second item (Walker teaches the customer buying an item and receiving the second item for free or at discount price of zero) Walker doesn't teach the second item being duty free items and Air France teaches the purchase of international tickets tie in to duty free items therefore it would have been obvious to have included in the system of Walker to replace the items of Walker with Air France international tickets and duty free items in order to motivate purchases in the airline industry.

Appellant states that the claims cover approximately 10 pages in length and the Final rejection of those claims were rejected in 2 pages, without any specific reference to the limitations beyond elements of claim 1. The Examiner wants to point out that regardless of the length of the rejection, all the limitations and arguments have been addressed during the prosecution of this application.

With respect to claim 20, there's a typo in the heading of the final rejection mailed on 5/20/2009 and the limitation of claim 20 was addressed and should have been included in the rejection of claims 1-2, 4-5, 7-12, 14, 15, 17-19, 85, 85, 96-108.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

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For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Raquel Alvarez/

Primary Examiner, Art Unit 3688

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